

## BUSINESS UPDATE

# Profit at all-time high

- ✓ Revenue up 22% YoY
- ✓ EBITDA up 21% and PAT up by 11% YoY
- ✓ Interim dividend of Rs. 3 per share announced

**Mumbai, November 5, 2014:** Welspun India Ltd., (WIL), part of the US\$ 3 billion Welspun Group today announced Q2 FY15 results, showing strong growth in revenue and operating profit in comparison to the corresponding period last year.

### Consolidated Financial Summary - Q2 & H1 FY15 (Rs. Million)

Particulars	Q2 FY15	Q1 FY15	QoQ Change %	Q2 FY14*	YoY Change %	H1 FY15	H1 FY14*	Change %
Revenue	14,135	11,773	20%	11,589	22%	25,908	21,158	22%
Operational EBITDA	3,169	2,727	16%	2,540	25%	5,896	4,605	28%
Reported EBITDA	3,360	3,049	10%	2,785	21%	6,409	5,014	28%
Finance Cost	731	713	3%	593	23%	1,444	1,151	25%
Depreciation	717	686	4%	478	50%	1,403	893	57%
Profit Before Tax	1,913	1,650	16%	1,714	12%	3,563	2,970	20%
PAT post min. & asso.	1,299	1,050	24%	1,166	11%	2,348	2,065	14%
Cash PAT	2,306	1,651	40%	1,691	36%	3,958	3,088	28%
Op. EBITDA Margin	22.4%	23.2%		21.9%		22.8%	21.8%	
Reported EBITDA Margin	23.8%	25.9%		24.0%		24.7%	23.7%	
PAT Margin	9.2%	8.9%		10.1%		9.1%	9.8%	

\* On account of the change in depreciation policy from straight line method to reducing balance method, the company has taken an additional one-time depreciation of Rs. 4,631 million (for the period up to June 30, 2013) in Q2 FY14. The Q2 FY14 and H1 FY14 figures are normalized by removing this one-off effect.

Notes: a) Prior period figures are restated, wherever necessary

b) Cash PAT = PBT + Depreciation – Current tax (including MAT credit, if any)

### Consolidated Financial Highlights – Q2 FY15

- Revenue at Rs. 14,135 million vs. Rs. 11,589 million in Q2 FY14 - 22% growth YoY driven by strong volume growth.
- Operational EBITDA up by 25% at Rs. 3,169 million vs. Rs. 2,540 million in Q2FY14. Operational EBITDA margin was marginally higher at 22.4% in Q2FY15 as compared to 21.9% in Q2FY14.
- Reported EBITDA up by 21% at Rs. 3,360 million vs. Rs. 2,785 million in Q2FY14.
- Depreciation was 50% higher YoY at Rs. 717 million (vs. Rs. 478 million in Q2FY14). This was mainly on account of the depreciation on the newly commissioned projects according to the new depreciation policy.

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- Finance cost stood at Rs. 731 million, 23% higher YoY, on account of higher working capital interest cost, primarily due to discontinuation of interest subvention.
- Profit after Tax (after minorities and associates) stood at Rs. 1,299 million from the Q2 FY14 level of Rs. 1,166 million, growth of 11% YoY.
- Net worth stands at Rs. 12,764 million at the end of Q2FY15.
- At the end of the quarter, Gross debt stands at Rs. 29,143 million, lower compared to Rs.30,293 million at end-FY14 and gross long term debt stands at Rs. 18,638 million (vs. Rs. 18,944 million at end-FY14).
- As on 30<sup>th</sup> September 2014, net debt stands at Rs. 25,412 million (vs. Rs. 26,635 million at end-FY14) implying a net debt/equity of 1.99x (vs. 2.40x at end-FY14).
- Net debt/ Operational EBITDA (annualised) stands at 2.16x.

### Project Status

- The modernisation, expansion and vertical integration project, is half-way through with capex of Rs. 12 bn completed by the end of the quarter. The 170,000 spindles and 140 looms, which are part of this plan, have started commercial operations. The remaining capex of around Rs. 13 bn is expected to be completed over the next two years.

### Outlook

The US economy is expected to deliver strong GDP growth in 2015. With Europe taking steps to come out of recession and the Indian economy expected to grow faster, global economic growth is expected to get a boost.

The Indian home textile industry continues to consolidate its position as the leader in cotton home textiles. Backed by its scale, technology and integrated presence, the Indian home textile industry is expected to continue increasing its market share in the global arena.

### Management comments

**Speaking about the performance, Mr. B.K. Goenka, Chairman, Welspun India Ltd., said,** “We have completed half of our major capex plan, thus enabling larger in-house production of yarn and fabric. This milestone will consolidate our leadership position in the home textile category, in terms of scale as well as quality on account of reduced dependence on outside suppliers. We have increased our focus on our domestic as well as international brands, which should further improve our market position in the coming years and create long-term shareholder value.”

### About Welspun India ([www.welspunindia.com](http://www.welspunindia.com))

*Welspun India Ltd, part of US\$ 3 billion Welspun Group is among the top three home textile manufacturers in the world and the largest home textile company in Asia. With a distribution network in more than 50 countries and manufacturing facilities in India, it is the largest exporter of home textile products from India. Supplier to 14 of Top 30 global retailers, the company has marquee clients like Wal-Mart, JC Penney, Target and Macy's to name a few.*

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